



[Docket No. FR-6313-N-01]

**Waiver and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees – Tourism Waiver for Puerto Rico**

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Notice.

**SUMMARY:** This notice governs Community Development Block Grant Disaster Recovery (CDBG-DR) funds awarded under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 and the Bipartisan Budget Act of 2018. Specifically, in response to a request by the Commonwealth of Puerto Rico, this notice grants a previously provided waiver and alternative requirement related to tourism and business marketing for the Commonwealth's use of CDBG-DR funds.

**DATES:** Applicability Date: [Insert date five days after date of publication in the FEDERAL REGISTER.]

**FOR FURTHER INFORMATION CONTACT:** Jessie Handforth Kome, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street, SW, Room 10166, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Ms. Kome at 202-708-0033. (Except for the "800" number, these telephone numbers are not toll-free). Email inquiries may be sent to [disaster\\_recovery@hud.gov](mailto:disaster_recovery@hud.gov).

**SUPPLEMENTARY INFORMATION:**

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**I. Authority to Grant Waivers**

The Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. 115-56, approved Sept. 8, 2017) and the Bipartisan Budget Act of 2018 (Pub. L. 115-123, approved Feb. 9, 2018) authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or use by the recipient of grant funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment.

The waiver and alternative requirement authorized in this notice are based upon a determination by the Secretary that good cause exists, and that the waiver and alternative requirement is consistent with the overall purposes of title I of the Housing and Community Development Act of 1974 (HCDA). The basis for the Secretary's determination of good cause is described below.

## **II. Waiver and Alternative Requirement Related to Tourism and Business Marketing (Commonwealth of Puerto Rico only)**

The Commonwealth submitted a request for an extension of the previously granted waiver and alternative requirement authorizing activities related to tourism and business marketing for an additional 180 days. The previously granted waiver and alternative requirement expired February 8, 2022. Accordingly, HUD hereby grants the waiver and alternative requirement described in this notice for 180 days from the applicability date of this notice. The cap on the activity costs remains unchanged. The grantee can expend no more than \$25,000,000 on activities authorized by this waiver and alternative requirement.

In section IV.D.17. of the *Federal Register* notice published on August 14, 2018 (83 FR 40322) (the "August 2018 Notice), the Department granted the Commonwealth a waiver of 42 U.S.C. 5305(a) to the extent necessary to create a new eligible activity and use up to \$15,000,000 of CDBG-DR funds for tourism and marketing activities to promote travel and to attract new businesses to disaster-impacted areas, consistent with the amount in the Commonwealth's action

plan and substantial amendments submitted to and approved by HUD. In section IV.2. of the *Federal Register* notice published on February 19, 2019 (84 FR 4844) (the “February 2019 Notice”), the Department amended this waiver and alternative requirement to authorize the use of an additional \$10,000,000 of the Commonwealth’s CDBG-DR funds for tourism and marketing activities. HUD required the waiver and alternative requirement to expire two years after the Commonwealth’s first draw of its CDBG-DR funds allocated in the *Federal Register* notice published on February 9, 2018. In section VI.C. of the *Federal Register* notice published on January 6, 2021, HUD extended the waiver and alternative requirement, in accordance with the August 2018 Notice and February 2019 Notice, as referenced above, for one year due to issues related to the Coronavirus Disease 2019 (COVID-19) pandemic. This one-year extension expired on February 8, 2022.

Tourism is a significant part of the Commonwealth’s economy and was severely impacted by Hurricanes Irma and Maria and further impacted by the COVID-19 pandemic. The expiration of the waiver and alternative requirement for tourism and marketing activities limits the ability of the Commonwealth to use the CDBG-DR funds during its peak tourism season, interrupting economic development gains made by the Commonwealth in its use of CDBG-DR funds for disaster recovery. As a result, the Secretary has determined that good cause exists to grant the waiver and alternative requirement described above, in accordance with the August 2018 Notice and February 2019 Notice, so that the Commonwealth may carry out tourism and marketing activities permitted by the waiver and alternative requirement for 180 days from the applicability date of this notice. HUD may further extend the waiver and alternative requirements administratively, if requested by the Commonwealth and good cause for such an extension exists at that time.

James Arthur Jemison, II,  
Principal Deputy Assistant Secretary for  
Community Planning and Development.

**[Billing Code 4210-67]**

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